# DETERMINANTS OF STRATEGIC HUMAN RESOURCE MANAGEMENT EFFECTIVENESS OF COMPANIES IN THE GARMENT AND ELECTRONICS INDUSTRIES IN THAILAND

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Fulfillment of the Requirement for the Degree of
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### **School of Public Administration**

The Examining Committee Approved This Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy (Development Administration).

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#### **ABSTRACT**

Title of Dissertation Determinants of Strategic Human Resource Management

Effectiveness of Companies in the Garment and

Electronics Industries in Thailand

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This study examines the strategic human resource management effectiveness of the garment (low-technologically intensive) and electronics (high-technologically intensive) companies in Thailand in response to the increasing interest in managing and measuring the contributions of human resources to a firm's success. Strategic human resource management effectiveness is defined as the extent to which the overall human resource architecture—the human resource function, the human resource system, and human resource outcomes—contributes to the achievement of the firm's strategy. Strategic human resource management effectiveness is considered a performance driver of a firm's strategy and is assumed to be positively related to firm performance.

The objectives of this study include: (1) to study the extent of the strategic human resource management effectiveness of companies in the garment and electronics industries of Thailand, and (2) to examine the determinants of the strategic human resource management effectiveness of companies in both sectors. The quantitative approach, by means of a survey, is the dominant paradigm, while the qualitative approach, by means of case studies, is a supplementary component of this study.

With regard to the quantitative approach, the conceptual framework includes the three components of human resource architecture as the determinants of strategic human resource management effectiveness. This study argued that in order to achieve strategic human resource management effectiveness, the companies should possess the proper human resource function and system, producing the proper strategic human resource deliverables for successful strategy implementation. In order to have the proper human resource function, the firms should place emphasis on the human resource competencies

of all human resource professionals in delivering efficiently and effectively both traditional and strategic human resource activities. In addition, the proper human resource system can be achieved by making broader use of high-performance work practices and by having the alignment within the human resource system and the alignment of the system with the firm's strategies. As a result, the firms gain the strategic human resource deliverables required for implementing the firm's strategy.

The results demonstrate that both garment and electronics companies have reached a relatively low level of strategic human resource management effectiveness and that the electronics companies have achieved a higher level of effectiveness than the garment companies. The findings from the hypothesis testing indicate that the strategic human resource management effectiveness of the garment and electronics firms is a result of strategic human resource deliverables, an externally and internally aligned human resource system, high-performance work system adoption, the efficiency of the human resource function, and human resource competencies. Each variable produces different effects on the strategic human resource management effectiveness. The results of the in-depth interviews also support most of the results from the hypothesis testing. Additionally, the interview results reveal other factors and conditions supporting effectiveness, such as support from top management and line managers' involvement in human resource management.

In conclusion, the determinants of the strategic human resource management effectiveness of the garment and electronics firms can be viewed in relation to the three dimensions: the human resource function, the human resource system, and human resource outcomes. The relationships between variables are combined to form a strategic human resource management effectiveness model of the garment and electronics companies. This study serves as an essential starting point for building a more robust empirical base that will significantly increase the knowledge of strategic human resource management effectiveness and its relationship to firm performance.

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